



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

55Q

SEP 23 2015

Mr. Ramon Frontanes, Site Leader
Pfizer Pharmaceuticals LLC
Barceloneta Site, Rd. 2, KM 58.2
P.O. Box 628
Barceloneta, Puerto Rico 00617

Re: Prevention of Significant Deterioration (PSD) Non-Applicability- Pfizer Pharmaceuticals LLC's Proposed Modification

Dear Mr. Frontanes:

The U.S. Environmental Protection Agency's Region 2 Office (EPA) received Pfizer Pharmaceuticals LLC, Barceloneta Plant's (Pfizer) July 30, 2015, letter, in which it requested EPA's determination whether the PSD regulations codified under 40 CFR 52.21 will apply to Pfizer's proposed modification. Pfizer is proposing to remove an existing oil-fired Heat Recovery Steam Generator (HRSG) and install three new 11.5 MMBtu/hr liquified petroleum gas (LPG)-fired steam boilers. It is also requesting that its current PSD non-applicability related Nitrogen Oxide (NOx) potential to emit (PTE) emission limit be raised from 56 tons/year to 90 tons/year. Pfizer stated that it currently is and it will continue to remain a "synthetic minor" source for PSD and title V purposes; therefore, Pfizer maintains that the existing 56 tons/year NOx PTE limit required pursuant to its 1994 project cannot be considered a relaxation of an emission limit which would otherwise trigger a PSD review under 40 CFR § 52.21 (r)(4). Based on the review of the information Pfizer provided in its letter and in e-mails to EPA through September 1, 2015, it appears that Pfizer's proposed modification will not trigger PSD and that its current NOx limit may be revised from 56 tons/year to 90 tons/year.

Background

Prior to 1994, Pfizer, an active pharmaceutical ingredients manufacturing facility, operated two residual oil-fired (16.5 MMBtu/hour) boilers and four 255 HP fire engines. It did not have a PSD permit but at the time it was an existing major source for PSD applicability purposes because it was a "PSD source category" and its boilers' sulfur dioxide and process-related volatile organic compounds (VOC) PTE exceeded the 100 tons/year major source threshold. The NOx PTE at the time was 55 tons/year. In 1994, under its Utility Plant Expansion Project, Pfizer proposed to remove the two residual oil-fired boilers and install the following: 1) 5 new diesel generators (each with its own selective catalytic reduction (SCR) unit and all of these then connected downstream to a combined secondary SCR); 2) a 37.5 MMBtu/hour No. 2 oil-fired HRSG at the Engines' exhaust and 3) a 37.5 MMBtu/hour oil/LPG-fired steam boiler. Pfizer's PSD non-applicability analysis in 1994 indicated that its net change in sulfur dioxide emissions would be negative whereas its NOx net change in emissions would be 28.88 tons/year. Therefore, its NOx PTE was estimated at 54.44 tons/year. To avoid PSD, Pfizer proposed to limit its total combined fuel oil usage to 6.4 million gallons per year and operate each engine to no more than 7500 hours/year. On November 30, 1995, EPA determined that Pfizer's PSD non-applicability request was approvable and also asked that Pfizer limit its NOx PTE to 56 tons/year. EPA notes that

Pfizer's current non-applicability request is not proposing to revise any other operational limits required pursuant to EPA's 1995 determination.

The Puerto Rico Environmental Quality Board (EQB) issued a Construction Permit to Pfizer in 2002, which was revised in 2008, 2010, 2012 and 2014. The current EQB Construction Permit allows construction of 5 diesel generators, a 37.5 MMBtu/hr HRSG, a 37.5 MMBtu/hr oil/LPG boiler, and the 4- 255 HP engines. The permit also allows construction of new units which were not part of the original Utility Plant Expansion Project such as 4 fire engines, 3 thermal oxidizers (0.7, 0.1 and 0.1 MMBtu/hour), a 100 HP diesel generator, 3 gasoline generators (14 HP each) and 7 diesel generators (845 HP each). The 2002 permit limited each criteria pollutants' PTE to 90 tons/year and hazardous air pollutants' PTE to below 10/25 tons/year to keep the facility below the PSD/title V applicability's 100/25/10 tons/year thresholds. The permit further limits NOx PTE to 56 tons/year pursuant to EPA's 1995 non-applicability determination. These 2002 PTE limits have remained unchanged as of today despite subsequent changes to the permit in the years that followed to add more units. Pfizer is asking now to relax its PSD NOx limit to 90 tons/year in EQB's Construction Permit. It should be noted that Pfizer stated in its September 1, 2015, e-mail that the 3 gasoline (14 HP) and 7 (845 HP) diesel generators were permitted but never installed.

EPA Review

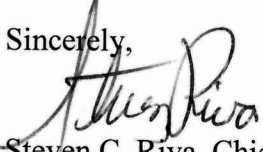
Pursuant to EPA's 1995 non-applicability determination, Pfizer completed its Utility Plant Expansion Project and operated the source at NOx PTE of 56 tons/year and process VOC emissions above 100 tons/year until 2002. There was no other change made to the Utility Plant during those years of operation. On October 2, 2002, EQB issued a Construction Permit to Pfizer limiting its PTE for all criteria pollutants, including VOC, to below 100 tons/year making the facility a "synthetic minor" source for title V and PSD purposes. The EQB permit also contained the original 1995 NOx PTE limit of 56 tons/year that had been requested by EPA in its PSD non-applicability section. Pfizer stated that it has continued to operate as a "synthetic minor" source for PSD and title V purposes since 2002. Its current proposal to remove the HRSG (37.5 MMBtu/hour) and replace it with three new LPG package boilers (11.5 MMBtu/hour each) will also not increase its 2002 PTE limits and Pfizer will continue to remain a "synthetic minor" source after the change.

EPA's review of the information indicates that Pfizer is not attempting to circumvent PSD applicability by requesting to increase the 1995 PSD non-applicability NOx PTE limit from 56 tons/year to 90 tons/year because the facility or the 1994 modification does not become a major stationary source or major modification solely by virtue of this NOx emission limit relaxation. In addition, the "synthetic minor" status has been maintained by Pfizer since 2002 and will continue to be maintained after the proposed modification. Furthermore, Pfizer is also not requesting any changes to its annual fuel and hours of operation restrictions put in place pursuant to the 1995 non-applicability determination. Therefore, Pfizer's request to revise the NOx PTE from 56 tons/year to 90 tons/year is approvable.

EPA notes, however, that the EQB permit authorized construction of 3 gasoline generators and 7 diesel generators that were never installed and are not expected to be constructed and, as such, must be removed from the EQB Construction Permit as a condition of this approval. EPA is not commenting on other specific changes that relate to the conditions in the Construction Permit that Pfizer is requesting in its July 30, 2015 letter since these changes are related to EQB's permit and EPA is asking EQB to take the lead on those discussions.

Please note that EPA's assessment of the proposed project is not final Agency action and is based on information solely provided by Pfizer. In the event that we learn of facts suggesting a different assessment of the project, EPA may revisit this issue, and invoke any necessary authorities under the Clean Air Act. However, we do not anticipate further action at this time. If you have any questions regarding this letter, please contact Mr. Umesh Dholakia at (212) 637-4023.

Sincerely,



Steven C. Riva, Chief
Permitting Section

cc: Leimarys Delgado, PREQB

